



**Spheria Emerging Companies Limited (Company)**  
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*By Electronic Lodgement*

Market Announcements Office  
ASX Limited  
20 Bridge Street  
Sydney NSW 2000

Dear Sir/Madam

#### **UPDATE ON REINSTATED CONDITIONAL PROPOSAL**

The Board of Spheria Emerging Companies Limited (ASX:SEC) (**SEC** or **the Company**) wishes to remind shareholders that, as announced to the market on 26 February 2025, the Board together with Spheria Asset Management Pty Limited (**Manager**) have agreed to reinstate a modified conditional proposal to exchange shares in the Company for units in Spheria Australian Smaller Companies Fund. This occurred after the Board assessed the impact of the previous 2024 conditional proposal and deemed it to have been successful in contributing to the substantial reduction in the Company's discount to NTA during 2024.

Under the reinstated and modified conditional proposal (**Proposal**), for the twelve months from 1 April 2025 to 31 March 2026 (**Annual Measurement Period**), should the average daily premium/discount of the Company's share price to pre-tax NTA per share exceed a discount of 5.00% (**NTA Premium/Discount Test**), the Company will arrange for a meeting of shareholders to be convened to vote on whether the Company should remain a listed investment company (**LIC**), or should convert to a managed fund. If the average daily premium/discount over the Annual Measurement Period is a discount of less than 5.00%, the Board will not proceed with the Proposal and SEC will remain as a LIC.

Under the NTA Premium/Discount Test, the daily NTA premium/discount will be measured by the daily closing share price relative to the pre-tax NTA per share on that same day (**Daily Calculation**). As the Annual Measurement Period is soon to commence, a worked example of the Daily Calculation is provided at the end of this announcement to assist shareholders in understanding the Daily Calculation methodology the Company will use.

Shareholders are encouraged to contact Pinnacle, who handles investor relations on behalf of the Company, on **1300 010 311** or **[distribution@pinnacleinvestment.com](mailto:distribution@pinnacleinvestment.com)** should they have any questions about the Proposal, or the worked example below.

## WORKED EXAMPLE – DAILY CALCULATION OF NTA PREMIUM/DISCOUNT

To show how the Daily Calculation of the NTA Premium/Discount will operate, the following is a worked example using the values for 25 March 2025.

The Daily Calculation for each day of the Measurement Period will be determined as follows, expressed as a percentage:

$$\text{Daily NTA Premium/Discount} = (\text{Closing Share Price} / \text{Pre-tax NTA per share}) - 1$$

Applying the formula to the values for SEC on 25 March 2025:

- Closing Share Price = \$2.34<sup>1</sup>
- Pre-tax NTA per share = \$2.451<sup>2</sup>

$$\begin{aligned}\text{Daily NTA Premium/Discount} &= (\text{Closing Share Price} / \text{Pre-tax NTA per share}) - 1 \\ &= (\$2.34 / \$2.451) - 1 \\ &= 0.95471 - 1 \\ &= -4.529\%\end{aligned}$$

As the amount is negative it represents a discount of share price to pre-tax NTA per share (if the calculation were to give a positive amount, it would represent a premium).

The Daily NTA Premium/Discount will be calculated as above for each ASX trading day in the Annual Measurement Period. These values will be averaged over the Annual Measurement Period, to determine the average value that will be compared against the 5.00% discount threshold under the Proposal.

The Company will provide a running calculation of the average value at the time of releasing its monthly NTA per share calculations for April 2025 through to February 2026 for the period from 1 April 2025 up to the end of the month. The final average value will be advised in April 2026 after the conclusion of the Annual Measurement Period.

The Board of Spheria Emerging Companies Limited has authorised this announcement to be released to the ASX.

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<sup>1</sup> Closing share price of SEC on 25 March 2025 per ASX

<sup>2</sup> Estimated Pre-tax NTA per share as at 25 March 2025 per ASX announcement made by the Company on 26 March 2025